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C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 001119

SIPDIS

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SUBJECT: ICPC PRESSES MINISTERIAL CORRUPTION CASE, BUT HOW FAR WILL IT GO?

REF: ABUJA 1074 AND PREVIOUS

Classified By: AMBASSADOR JOHN CAMPBELL. REASONS 1.5 (B & D).

1. (C) Summary: The Independent Corrupt Practices and Other Related Offences Commission (ICPC) provided details on its highest-profile case to date, the national identity card project case that includes former Ministers among its defendants. The trial will take place on July 19-21, but it is unclear whether the ICPC will be satisfied with this prosecution, or hunt for some bigger scalps. End Summary.

The Arrests in Nigeria...

2. (U) In December 2003, six individuals were arrested in Nigeria for receiving a total of over USD 2 million from a Nigerian business partner of the French firm Sagem S.A. to ensure Sagem won the USD 214 million National ID Card project contract. The defendants included former Internal Affairs Ministers Mohammed SHATA and Chief Sunday AFOLABI, sitting Labor Minister Hussaini AKWANGA (who was sacked the day after his arrest), immediate past Secretary of the ruling People's Democratic Party (PDP) Okwesilieze NWODO, Internal Affairs Ministry Permanent Secretary Ms. Turei AKERELE, and Sagem country representative Niyi ADELAGUN.

...and One in the UK

3. (SBU) A seventh individual involved in the case was detained in the UK earlier in 2003, Department of National Civic Registration director Christopher AGIDI. Rather than pursue an expensive extradition case, the ICPC opted to allow Agidi to be tried in the UK on money laundering charges: Agidi had been arrested with GBP 160,000 on his person, and another USD 50,000 was found at his London residence. Agidi claimed he had been paid for "computer consulting" by Sagem. ICPC Chairman Justice M. M. Akanbi told Poloff that Agidi had been the "driving force" behind the Internal Affairs Ministry's selection of Sagem.

A Death with Convenient Timing...

4. (U) Chief Afolabi fell ill with a mysterious ailment in April and was taken to the UK for treatment, where he died in May. His illness began shortly after he announced that he would "spill the beans" regarding the Sagem scam. Many Nigerians, including his attorney, feel he was poisoned to keep him from testifying. Afolabi had been alleged to have accepted USD 330,000 for his role in selecting Sagem.

...Makes the ICPC Start Over

5. (SBU) On June 2, the ICPC withdrew charges against the defendants. Akanbi explained to Poloff that since the charges had been filed against the defendants as a group, it was possible for defense counsel to delay the case indefinitely because one of the defendants was not present. On June 3, all charges were re-filed against the remaining five defendants in three separate cases: one case against Akwanga, Nwodo, and Akerele, one against Shata, and one against Adelagun.

6. (SBU) Akwanga was accused of receiving USD 30,000 via his daughters; Akwanga's attorney told Poloff on June 2 that this was true, but that it was "merely a gift," and Akwanga received no money himself. Akerele received USD 500,000 paid into her bank account in London by Adelagun, but claims the money was due to the sale of a house in Lagos; the ICPC charged her for failing to disclose the foreign account. Nwodo was alleged to have accepted USD 160,000 for introducing Adelagun to Afolabi, and to have assisted in the distribution of the bribes. He denies any knowledge of the payment. Shata allegedly received USD 300,000 for his role in selecting Sagem, while Adelagun allegedly handled all the improper payments for Sagem.

7. (C) Akanbi told Poloff that Shata had confessed to his

role, on tape, and had implicated others. Akanbi said that Shata cannot claim that his confession was forced by the ICPC because Shata was in custody of the State Security Service (SSS), and ICPC was merely allowed to interview him.

18. (C) Akwanga's attorney, Chris Uche, told Poloff on June 2 that his client was eagerly looking forward to tell his side of the story. He said that Sagem had been chosen as a vendor only after Sagem representatives made a call on President Obasanjo, who then expressed preference for the choice of Sagem. Although the contract with Sagem was cancelled when the scandal broke, Uche said, Sagem was re-selected by a new procurement committee, which Uche said showed that higher levels of government were involved in the decision.

19. (U) The trial is scheduled for July 19-21 (septel). It had been delayed several times because the judge assigned to the case, Justice Oniyangi, had been working on election petition cases. Akanbi explained that Oniyangi had been so successful with the election cases that he was asked to continue handling them.

110. (SBU) On June 16, Akanbi asked Poloff why the US Embassy is so interested in this case. Poloff replied that Nigeria's anti-corruption efforts are important to the US because it is in the interest of the US for Nigeria to be a stable, safe place to do business, governed by the rule of law. Akanbi expressed satisfaction with the reply and said, "then we all want the same thing."

Comment

111. (C) With a confession, and with defendants eager to point the finger at one another (and others), it appears that ICPC should be able to win its first-ever convictions. However, the finger-pointing is likely to implicate the President and his wife directly in the case. It remains to be seen whether the ICPC will pursue the allegations against higher levels of the GON, up to the President's office.
CAMPBELL